

The Hotel Operators' Occupation Tax Act imposes a tax upon persons engaged in the business of renting, leasing or letting rooms in a hotel. See 86 Ill. Adm. Code 480.101. (This is a GIL.)

December 31, 1998

Dear Mr. Xxxxx:

This letter is in response to your letter dated August 14, 1998. The nature of your letter and the information you have provided require that we respond with a General Information Letter which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 86 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

In June of 1999, our church, CHURCH hopes to visit your state. We hope to share in the many activities of Illinois, Great America Six Flags, Gurnee Mills, Woodfield Mall and some of your museums. We will be staying at one of your hotels for some five days. We have visited several states over the last several years and have receive Tax Exempt Status that we have here in the state of Virginia.

I am writing to see if is possible to receive Tax Exempt Status for Hotel tax, if not all some of the taxes on the rooms. If we can receive this Temporary status for one year or just for the time we will be visiting your state.

I am enclosing a copy of our tax exempt status with request. Thank you for your help in this matter.

The Hotel Operators' Occupation Tax Act imposes a tax upon persons engaged in the business of renting, leasing or letting rooms in a hotel in Illinois. The Hotel Operators' Occupation Tax Act does not include any provision for the exemption of exclusively religious, charitable, or educational organizations, or for governments or their agencies. See 86 Ill. Adm. Code 480.101(b)(3) and (4), enclosed.

There are two factors we would like to stress in regard to this situation. First, the tax is not imposed upon the organization renting the room from the hotel operator. It is imposed, rather, upon the hotel operator. An exemption is useless in this context, because there is no tax which is being imposed upon the organization. There is no tax, in other words, from which a religious group could be exempted. Secondly, the Hotel Operators' Occupation Tax Act does not contain any provision that relieves governmental agencies or exclusively

charitable, religious or educational organizations from paying reimbursement charges which hotel operators are authorized to charge and pass on to customers to reimburse themselves for their tax liability.

I hope this information is helpful. The Department of Revenue maintains a Web site which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Karl Betz
Associate Counsel

KB:msk
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